



United States Postal Service®

Response to Independent Validation of USPS Service Performance Measurement Audit Design

Audit Compliance Response

FY2020 Quarter 4

November 30, 2020

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I. Summary

This report presents the Response of the United States Postal Service (USPS) to the Independent Validation of USPS Service Performance Measurement (SPM) Audit Design for Quarter 4 (Q4) of fiscal year 2020 (FY20).

II. Mitigation Plan

USPS has evaluated the results of the Independent Validation of USPS SPM Audit Design for FY20 Q4 and has formulated a mitigation plan for the seven measures that were partially achieved and the two measures that were not achieved. All other measures were achieved.

For FY20 Q4, several of the audit measures were impacted by the COVID-19 pandemic and related employee availability.

The subsequent sections describe, in further detail, the mitigation plans for measures 2, 11, 19, 20, 23, 24, 25, 26 and 27.

Measure 2: First Mile - Carrier sampling weekly compliance rates should consistently exceed 80 percent for most districts.

Quarter 4 Result: Partially Achieved.

Mitigation Plan: For FY20 Q4, 51 Districts achieved 80% or better for each of the 13 weeks. Seven Districts did not achieve a compliance score of 80% or better: Chicago, Los Angeles, Lakeland, Philadelphia Metro, Long Island, Santa Ana, and Gateway. Additionally, 9 Districts missed the 80% target narrowly for 1 to 4 weeks during the quarter: Northern New Jersey, New York, Baltimore, Albany, Greater Indiana, Triboro, Atlanta, Bay-Valley, and Capital.

Many of these Districts have seen significant staffing impacts due to the COVID-19 pandemic. This continues to affect many areas of USPS Retail and Delivery Operations, including First Mile sampling compliance.

For First Mile sampling compliance, the Postal Service can now leverage Informed Visibility (IV) reports to drill down to the employee level in order to identify and correct deficiencies. Management can utilize these data to support follow-up conversations and provide retraining.

Additionally, measures have been taken to improve SPM sampling compliance by including training on SPM sampling processes for all newly hired carriers.

Measure 11: Last Mile - Most districts should have a limited volume for which imputed results are used within the quarter.

Quarter 4 Result: Not Achieved.

Mitigation Plan: Quarter 4 continued to see limited First-Class flats volume in the network due to the reduction of volume from the COVID-19 pandemic. Obtaining enough volume to avoid imputation has been difficult, if not impossible. USPS anticipates that this audit measure will, therefore, remain difficult to achieve.

According to the audit, 41 Districts required the use of imputation rates due to the limited First-Class flats volume. Due to low volumes for these Districts, it is difficult to reduce the need for imputed data for First-Class flats in Last Mile until volume for First-Class flats returns. The main contributor to the high imputation rates for Q4 may be related to the decrease in mail volume which resulted from the COVID-19 pandemic. As volumes return to pre-COVID-19 levels, it is expected that fewer Districts will have the need for imputed data.

Measure 19: First Mile - Most response rates should exceed 80% at a district level.

Quarter 4 Result: Partially Achieved.

Mitigation Plan: For FY20 Q4, most Districts (90%) exceeded a response rate of 80%. Seven Districts did not achieve a response rate of 80% or better: Chicago, Los Angeles, Lakeland, Philadelphia Metro, Long Island, Santa Ana, and Gateway.

Every Area/District coordinator, Postmaster, Station Manager and Supervisor has the tools to monitor performance through IV. By reviewing these data, individual offices can determine dates of failures and drill into root causes to directly address employees.

In addition to adding SPM sampling processes to carrier training, USPS has reissued Stand-up Talks and Standard Work Instructions (SWI) to all delivery unit employees.

Measure 20: First Mile - Coverage ratios should meet acceptable thresholds at the 3-digit ZIP Code levels for districts with poor coverage.

Quarter 4 Result: Partially Achieved.

Mitigation Plan: USPS will continue to ensure all new employees are trained on the SPM sampling processes. Refresher training will also be provided to employees identified for non-compliance in SPM sampling data. SWI will be posted and maintained on communication boards in all retail and delivery units. Service meetings will be conducted

on an as-needed weekly basis to monitor, analyze and track SPM sampling performance throughout FY21.

The requirement to utilize the SPM sampling dashboard and track performance through IV will be re-issued to all field management.

Measure 23: Processing Duration - At least 70 percent of the volume is measured for each product.

Quarter 4 Result: Partially Achieved.

Mitigation Plan: USPS continues to work towards increasing the volume of mail in measurement for each mail product. USPS has a comprehensive effort across Headquarters (HQ), Field Operations (Areas and Districts), and Mail Entry to develop mitigation plans for each exclusion reason:

- Biweekly/monthly meetings among HQ, Area coordinators and their Districts to develop action plans for mailers with high exclusion rates.
- Collaboration between the HQ SPM team and Field Operations to reduce the amount of mail that falls out of measurement due to lack of Start-the-Clock.
- Review of the business rules for each exclusion reason to reduce the percentage of mail being excluded.
- Development of resolutions for each exclusion reason to reduce the percentage of mail being excluded.
- Utilization of the automated service performance measurement exclusions dashboard in IV by the Area and District Field Operations to identify ways to reduce the volume of mail that is excluded from measurement.
- Collaboration between the HQ SPM team and the Mailer Technical Advisory Council workgroup to reduce volume excluded from service performance measurement. Across all products for FY20, 78.58% of the full-service mailpieces were measured, which is an increase of 0.65 points over FY19 (77.93%).

The characteristics and make-up of the High Density and Saturation Flats Destination Entry Two-Day product continue to present a challenge to the measure of its service performance because this product is non-Full-Service. USPS uses a different methodology to measure the service performance of this product because this is a non-Full-Service product. As part of this methodology, USPS measures only one major mailer for the High Density and Saturation Flats Destination Entry Two-Day product, which is the reason for less than 70% of volume in measurement.

The characteristics and make-up of Bound Printed Matter (BPM) flats mail continue to present a challenge when BPM is processed through flats sorter machines. When this occurs, the mail may be manually sorted to the 5-digit level and, therefore, lacks

visibility because it was not scanned using mechanized equipment. To mitigate this issue, HQ continues to work with the Area coordinators to develop processes that will enable increased visibility for BPM when it is manually sorted.

Measure 24: Processing Duration - Most active ZIP codes should have mail receipts for all products during the quarter.

Quarter 4 Result: Partially Achieved.

Mitigation Plan: The volume in measurement for BPM flats declined in FY20 Q4 compared to previous quarters. This resulted in more 5-digit ZIP codes not having BPM flats volume in processing duration.

The characteristics and make-up of BPM flats mail continue to present a challenge when BPM is processed through flats sorter machines. When this occurs, the mail may be manually sorted to the 5-digit level and, therefore, lacks visibility because it was not scanned using mechanized equipment and volume is excluded from measurement due to inability to measure service performance.

This measure has been achieved for all previous quarters and USPS anticipates achieving this measure in the future.

Measure 25: Last Mile - Most response rates should exceed 80% at a district level.

Quarter 4 Result: Partially Achieved.

Mitigation Plan: 58 Districts out of 67 (86.5%) achieved a compliance rate of 80% in FY20 Q4.

USPS will continue to measure and report Last Mile compliance rates for each District on a weekly basis throughout FY21. Compliance reports for field users show data at a finer granularity down to the Manager Post Office Operations (MPOO), Facility, and Employee identification levels. This is used to increase the response rate.

Every Area/District coordinator, Postmaster, Station Manager and Supervisor has the tools to monitor performance through IV. Continuous instruction and training on the utilization of SPM sampling processes will continue to be provided to include SWI, videos and visual aids.

Service meetings will be conducted on an as-needed weekly basis to monitor, analyze and track SPM sampling compliance throughout FY21.

Measure 26: Last Mile - Coverage ratios should meet acceptable thresholds at the 3-digit ZIP Code levels for districts with poor coverage.

Quarter 4 Result: Partially Achieved.

Mitigation Plan:

Every Area/District coordinator, Postmaster, Station Manager and Supervisor has the tools to monitor performance through IV. Training, SWI, and other resources have been made available for easy access by the field managers and supervisors to conduct deep dive reviews on root causes of failures.

Scanning requirements have been re-issued in FY21 Q1 reinforcing employees' roles and responsibilities regarding SPM sampling processes training.

Measure 27: Reporting/Processing Duration - Most processing facilities utilize the sort plan on at least 80% of the days in the quarter.

Quarter 4 Result: Not Achieved.

Mitigation Plan: Miami International Service Center (ISC) - Upon investigation, it was determined that the Miami Processing & Distribution Center (P&DC) was not running the international operation 848 sort program on Sunday nights, as there are no outgoing operations or network transportation connections for Sunday processing. Factoring in expected Sunday outgoing processing of operation 848 artificially lowers the calculated score. In addition, upon investigation there was an issue with the sort plan update on operation 848 and operations could not load the sort plan. As a result, the P&DC ran the inbound letters on the operation 481 sort plan typically used for domestic origin mail. This issue has been addressed; operations will be tracked in the Miami P&DC to identify any such issues with running operation 848 moving forward.

Los Angeles ISC – The Postal Service identified a delay in the flow of letter mail from the inbound receipt at the airfield through to operations. This has been addressed with parties involved (including airlines and ground handlers) and will be tracked to address any such future disruptions to the flow of mail.